GOVERNMENT OF INDIA
POWER
LOK SABHA

UNSTARRED QUESTION NO:1120
ANSWERED ON:17.07.2014
HYDRO ENERGY
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Will the Minister of POWER be pleased to state:

(a) whether India has been endowed with abundant water as natural resource;

(b) if so, details of the potential thereon, State-wise;

(c) whether the abundant availability of water in our country can offset the energy deficit if hydro energy is developed properly and in a time-bound manner;

(d) if so, whether Hydro power is a renewable, non-polluting and an environmental-friendly source of energy; and

(e) if so, the steps taken by the Government for time bound development of hydro potential so as to ensure its optimum harnessing for the benefits of its people and progress of the country?

Answer

THE MINISTER OF STATE (INDEPENDENT CHARGE) FOR POWER, COAL AND NEW & RENEWABLE ENERGY (SHRI PIYUSH GOYAL)

(a) to (c): As per the re-assessment studies of hydro-electric potential o f the country, carried out by the Central Electricity Authority(CEA) during 1978- 87, the hydro power potential in terms of Installed Capacity (IC) is estimated at 1,48,701 MW out of which 1,45,320 MW of the potential consists of hydro electric schemes having IC above 25 MW. Of the above identified capacity, 35,944.5 MW hydro capacity is under operation, 13,131.3 MW hydro capacity is under construction and 63,432 MW hydro capacity is under other various stages of development. The State-wise details of the hydro potential and its development is given at Annex.

It is expected that the total hydro potential of the country could be tapped by the end of 17th Plan, which would offset, to some extent, the energy deficit in the country.

(d) & (e): Hydro power is the renewable, Non-polluting and an environmental−friendly source of energy. Among the primary resources of energy, it is the only renewable source which has been recognized to be economical in the long run and

preferred source of energy due to its inherent benefits like peaking power, long life span, generate the employment for local people which leads to overall development of area and cost effective in long run because no fuel cost is involved during their operation.

The measures taken by the Government for time bound development of hydro potential so as to ensure its optimum harnessing for the benefits of its people and progress of the country are given below:

(i) National Electricity Policy:
The policy lays maximum emphasis on full development of the feasible hydro potential in the country which will facilitate economical development of States, particularly North Eastern States, Uttarakhand, Himachal Pradesh and Jammu & Kashmir. Since the hydel projects call for comparatively larger capital investment, debt financing of longer tenure has been recommended. The State Governments have been advised to review procedure for land acquisition and other approvals / clearances for speedy implementation of hydro projects. Full support of Central Government has been extended for hydel development by offering the services of CPSUs like NHPC, NEEPCO, SJVNL, THDC etc.

(ii) Hydro Power Policy- 2008: Salient Features (including subsequent changes):

Hydro Power Policy, 2008 has been notified by Govt. of India on 31.3.2008. The salient features of the policy are given below:

The cost plus Tariff regime (in which tariff is to be determined by the regulator under section 62 of Electricity Act, 2003) has been extended for public as well as private sector hydro power projects up to December 2015.

Transparent selection criteria for awarding sites to private developers.

Enables developer to recover his additional costs through merchant sale of upto a maximum of 40% of the saleable energy. 5% reduction for a delay of every six months. − Balance long term PPAs.

For 10 years from the COD, developer to provide 100 units of electricity per month to each PAF - in cash or kind or a combination of both.

Project developer assists in implementing rural electrification in the vicinity of the project area and contributes the 10% share of the State Govt. under the RGGVY scheme.

Additional 1% free power from the project for a Local Area Development Fund, - regular revenue stream for welfare schemes, creation of additional infrastructure and common facilities.

The State Governments are also expected to contribute a matching 1% from their share of 12% free power.

(iii) Monitoring Mechanism / Other measures

Central Electricity Authority (CEA) is monitoring the power projects in pursuance of Section 73 (f) of Electricity Act, 2003. The progress of each project is monitored continuously through frequent site visits, interaction with the developers and critical study of monthly progress reports. Chairperson, CEA holds regular review meetings with the developers and other stakeholders to sort out the critical issues.
A Power Project Monitoring Panel (PPMP) has been set up by the Ministry of Power to independently follow up and monitor the progress of hydro projects.

Review meetings are taken by Ministry of Power regularly with the concerned officers of CEA, equipment manufacturers, State Utilities/ CPSUs/ Project developers, etc. to sort out critical issues.

Review meetings are held in the Ministry/CEA on regular basis.

Inter-Ministerial consultations for expediting various issues relating to development of HEPs, especially with the MoEF, Border Roads Organisation, Ministry of Road Transport and Highways, Ministry of Defence and Ministry of Home Affairs etc.

(iv) National Rehabilitation & Resettlement Policies:

National Rehabilitation & Resettlement Policy 2007 addresses the need to provide succor to the asset less rural poor, support the rehabilitation efforts of the resource poor sections, namely small and marginal farmers, SCs/STs and women who have been displaced. Besides, it seeks to provide a broad canvas for an effective dialogue between the Project Affected Families and the Administration for Resettlement & Rehabilitation to enable timely completion of project with a sense of definiteness as regards costs and adequate attention to the needs of the displaced persons. The rehabilitation grants and other monetary benefits proposed in the Policy are minimum and applicable to all project affected families. States where R&R package are higher than proposed in the Policy are free to adopt their own package. The objectives of the Policy are to minimize displacement, to plan the R&R of PAFs including special needs of Tribals and vulnerable sections, to provide better standard of living to PAFs and to facilitate harmonious relationship between the Requiring Body and PAFs through mutual cooperation. A new Right to Fair Compensation and Transparency in Land Acquisition, Rehabilitation and Resettlement Act, 2013 has been passed by Govt. which will have more participation of local people in terms of Land acquisition and Rehabilitation & Resettlement.